

CLIMATE CHANGE ACTION AGENDA: 2017

Acadia Center • Center for Energy Security Solutions • Connecticut Citizen Action Group • Citizens Campaign for the Environment • Clean Water Action • Connecticut Fund for the Environment • Connecticut League of Conservation Voters • ConnPIRG • Connecticut Round Table on Climate and Jobs • Consumers for Sensible Energy • Environment Connecticut • Northeast Clean Energy Council • Renew Northeast • Save the Sound • Sierra Club • Solar Connecticut • Vote Solar

As scientists record ever growing impacts of climate change, it is clear: there is no time to waste when it comes to taking action. In the critical years ahead of us, every legislative session must propel us toward a clean energy future. In a new federal reality, states and municipalities not only have to stand their ground against widespread environmental rollbacks, they may now be the sole leaders in the effort to combat climate change.

The good news is that Connecticut has a proven track record of leadership when it comes to climate action and green-economy innovation; plus many of the solutions needed to combat climate change can help save money and grow jobs. But the bad news is that the state is at a crossroads for progress. Instead of Connecticut's greenhouse gas emissions continuing a downward trend towards the state's 2020 Global Warming Solutions Act target, they have reversed course—with emissions rising for two straight years. Worse yet, the trends indicate more of the same in the future. Now is the time to stop the backsliding.

There are four steps on the path to climate action that Connecticut can take in 2017 to help ensure we meet the 2020 and 2050 emission mandates.

- First, commit to timely targets that ensure accountability;
- Second, invest in efficiency since the cheapest and cleanest energy, is the energy you don't use;
- Third, cut fossil fuels. This means reducing reliance on natural gas, not expanding it; and slashing emissions from transportation by electrifying our cars and trucks; and
- Fourth, ramp up renewables, and fast. There are several parts in this step, but two major components include expanding the Renewable Portfolio Standard and removing barriers to the rapid deployment of renewable energy.

1. Commit to Wise Climate Change Planning and Accountability

GLOBAL WARMING SOLUTIONS ACT

PROBLEM: The Global Warming Solutions Act (GWSA) requires Connecticut to reduce greenhouse gas emissions by setting targets for 2020 and 2050 to combat climate change. Connecticut is currently at risk of missing its 2020 commitment; greenhouse gas emissions (GHGs) for the state reversed course, rising 7.5 percent from 2012 to 2015.

SOLUTION: Amendments to the GSWA will set new interim targets for 2030 and 2040 to ensure Connecticut meets the required reduction in climate change pollution by 2050. Additionally, changes would encourage state entities to take climate change impacts into consideration when making planning and policy decisions.

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PITTING MILLSTONE AGAINST RENEWABLES

PROBLEM: Millstone has stated its profits are slipping. Instead of continuing to compete in the wholesale market, as it has for decades, Dominion has asked the state to bail it out.

SOLUTION: Before contemplating any bail out or adjustment to how Dominion competes in the market place, the state should be given access to the company's books to guide wise decision making regarding any state involvement. **In no circumstance should Millstone be allowed to compete against renewables.** These new technologies are in a dramatic expansion phase and pitting Millstone against them would chill growth in these clean, job creating small industries while also setting Connecticut up to fail in its ultimate climate change obligations.

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SMART SITING OF SOLAR

PROBLEM: As interest in expanding medium to large scale clean energy dramatically expands in Connecticut, siting becomes an ever increasing issue. Looking to reuse brownfields and maximize rooftops are great starting points, but as water companies, forest owners, and agriculture industries hope to expand revenue, renewable siting has become a concern.

SOLUTION: Environmentalists, renewable energy businesses, agricultural land owners and the state have begun a dialog with municipalities, industry, and other stakeholders to develop the information state and local decision making entities need to ensure wise siting of renewable infrastructure. Additionally building an inventory of degraded and hard-to-use lands is underway; these are areas where clean energy development could be encouraged with little or no ecological downside and include closed landfills, other brownfields, over-sized parking lots, commercial rooftops, and highway rights-of-way. These ongoing processes should continue with the goal of creating standards that drive clean energy development to lands without other good uses while keeping the door open to owners of productive lands who want to integrate clean energy into their mix of uses. Since the economic and environmental factors affecting these land use decisions are complex and not uniform from place to place, there is real value in working carefully toward incentives for proper siting and voluntary guidelines, and continuously improving the system to ensure that any legislative approaches do not have unintended consequences.

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2. Invest Wisely to Support the Economy

EFFICIENCY, CLEAN ENERGY & RGGI FUNDS

PROBLEM: Efficiency and clean energy funds, which are generated by dedicated payments, reduce electricity bills for businesses and citizens, while helping the state meet climate change goals. Additionally these funds directly create tens of thousands of jobs in our state. They are responsible for providing the Comprehensive Home Energy Solutions program to homeowners; energy audits, financing, and incentives programs for businesses; guidance and incentives for purchasing efficient appliances; advice on incorporating efficiency into new construction or retrofitting existing buildings; leases for solar; and incentives for installing a solar photovoltaic system.

SOLUTION: **Protect the Clean Energy and Efficiency** (from surcharge on ratepayers), **Regional Greenhouse Gas Initiative** (from the RGGI auction proceeds), and **Green Bank funds**. Every \$1 of these funds invested in efficiency programs provides \$2.80 in ratepayer benefits; in fact energy efficiency investments in 2015 alone provided an estimated \$968 million in lifetime bill savings for residents and businesses. They also provide economic growth by providing 33,948 energy efficiency related jobs in CT¹ and leveraging limited investments. For every \$1 of electric efficiency investment, the Connecticut's Gross State Product grows by \$5.7 and every \$1 in Green Bank's financing programs supports between \$9 and \$10 of private investment and \$30 in economic benefits. Lastly, these investments also reduce healthcare costs by limiting health issues associated with air and water pollution.

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LEAD BY EXAMPLE

PROBLEM: CT state government facilities account for 15% of the energy consumed by the state's commercial and industrial sector, and costs the state between \$150 million to \$200 million annually. But a potential 40% reduction in energy use could save \$60 million to \$80 million every year.

SOLUTION: **An Act Concerning the Creation of Green Jobs in State Buildings Renovation** would expand and accelerate the existing Lead by Example program to foster in-state job creation and economic development while reducing the state's substantial energy costs, increasing budgetary savings for taxpayers, and improving

¹ 2017 U.S. Energy and Employment Report, https://www.energy.gov/sites/prod/files/2017/01/f34/2017%20US%20Energy%20and%20Jobs%20Report_0.pdf

the energy efficiency and weatherization of state facilities. Core legislative reforms include: extending and updating the current target for reduced energy consumption in state facilities; strengthening a commitment to creating jobs for Connecticut workers; ensuring that Connecticut Energy Efficiency Fund incentives funds are invested in energy efficiency measures; ensuring a predictable funding stream for LBE projects; and strengthening the program's planning and evaluation processes.

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3. Cut Fossil Fuels to Protect Our Climate

Natural Gas Infrastructure

PROBLEM: Under Connecticut law, passed in 2015, the costs of new natural gas pipeline construction are to be paid through a pipeline tax added to monthly electric bills. This type of pipeline tax has been overruled by the Massachusetts Supreme Court and rejected by the New Hampshire Public Utilities Commission. Based on these events, CT DEEP recently canceled its natural gas request for proposals, referencing the excessive burden to ratepayers that paying for infrastructure would cause.

SOLUTION: **An Act Concerning Prohibiting Surcharges From Being Levied On Utility Customers To Subsidize Interstate Natural Gas Pipeline Capacity (HB 6546)** would fix this problem by protecting utility customers from being forced to subsidize the cost of interstate natural gas pipeline construction.

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Zero Emission Vehicles and Electric Vehicles

PROBLEM: New data shows that despite needing to slash climate change pollution, Connecticut has been increasing our share of those greenhouse gas emissions; forty percent of which are from transportation. According to the Governor's Council, Connecticut cannot meet its greenhouse gas goals without widespread adoption of electric vehicles (EVs) and zero emission vehicles (ZEVs). Additionally Connecticut has bad air quality during those times of the year people are most likely to be outside and breathing it in, a problem zero emission vehicles can alleviate. Unfortunately, current law stymies the widespread proliferation of these vehicles.

SOLUTION: Moving to a passenger fleet of ZEVs will improve health of Connecticut's residents and help the state meet climate change obligations, but to do this the state must remove parts of an old law that prohibits the direct sale of ZEVs/EVs. In addition to helping Connecticut meet greenhouse gas emission targets, **An Act**

Concerning The Licensing of New and Used Car Dealerships could help improve Connecticut's economy in two important ways: 1) the public is currently shouldering the high costs gasoline engines. A recent report by the American Lung Association shows that the 10 ZEV (zero emission vehicle) states (CT is one) can save billions annually from reduced health and climate harm if we switch to clean cars by 2050. In our state alone the combined health and climate benefits will be \$1.3 billion; and 2) each ZEV/EV center can create 10-25 new jobs and provide \$2 million in new sales tax, \$3 million in direct economic benefits, and \$5 million in indirect economic benefits.

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4. Increase Renewables to Build a Sustainable Future with Green Jobs

RENEWABLE ENERGY PORTFOLIO STANDARD

PROBLEM: Connecticut's Renewable Portfolio Standard (RPS) does not set standards beyond 2020, and the Alternative Compliance Payment rate is too low, putting Connecticut at a disadvantage compared to neighboring states when purchasing renewable energy credits.

SOLUTION: **An Act Concerning Clean and Renewable Energy Opportunities and Use of Renewable Energy Sources** will extend the RPS to require electric suppliers to gradually increase the source of energy they supply from Class I renewable energy sources as follows: at least 35% Class I renewable energy sources by 2025; at least 50% Class 1 Renewable Energy Sources by 2030; and at least 80% from Class 1 Renewable Energy Sources by 2040. The Act will also increase the alternative compliance payment to six and seven-tenths cents per kilowatt hour (or sixty-seven dollars per MWh) for 2017, and require an annual adjustment according to the previous year's Consumer Price Index. Finally, the Act will transfer alternative compliance payments to the Clean Energy Fund for the development of Class I renewable energy sources.

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RESIDENTIAL PROPERTY-ASSESSED CLEAN ENERGY (R-PACE)

PROBLEM: The financing mechanism, known as property-assessed clean energy (PACE) helps customers afford energy efficiency and renewable energy improvements located on private properties. PACE programs help finance the initial cost of improvements and are paid back over time by the property owners on their property tax bills. The original enabling legislation for the C-PACE (for Commercial properties) program has been

updated and it is now very successful, but the R-PACE statutes need to be revised—with some differences from the C-PACE provisions—to provide private home owners in Connecticut access to such a program.

SOLUTION: Clarifications to the original R-PACE programs to improve it and reflect recent guidelines from the Federal Department of Housing and Urban Development, Federal Housing Administration, and Federal Housing Finance Agency need to be passed to ensure that R-PACE can succeed here. R-PACE can provide an important tool to enable the state, without using state funds, to attract private financing to help more homeowners upgrade their properties with energy efficiency or renewable energy projects.

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ZERO EMISSIONS RENEWABLE ENERGY CREDIT

ISSUE: The Connecticut ZREC program requires utilities to procure Class I renewable energy credits (RECs) under 15-year contracts with owners or developers of renewable energy projects. It is responsible for ensuring the installation of commercial solar with far fewer incentives than other states. Unfortunately is in the sixth and final year, though business community interest in solar remains high.

SOLUTION: **An Act Concerning the Extension of Connecticut's ZREC Program** will extend the ZREC program through 2022 and provide the following revisions to enhance its effectiveness: applying the Competitive Solicitation across all three project sizes (not just for large and medium ZRECs as is currently the case), creating a separate LREC and ZREC categories, and allowing solicitations to be held twice per calendar year (currently one per year).

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VIRTUAL NET METERING

ISSUE: Virtual Net Metering allows renewable power produced at one location to be credited to the meters of users at other locations within the same utility district, allowing eligible groups to avoid siting constraints in making use of renewable energy such as solar power. Unfortunately this innovative solution is severely restricted in Connecticut.

SOLUTION: **An Act Expanding the Scope of Virtual Net Metering for Connecticut** lifts the current cap of \$10 million to expand access, especially for governmental users, as a means of relieving budget burdens through cost-effective adoption of renewable energy while advancing economic development, job creation and energy security. Expanded renewable energy development under this measure could be targeted toward lands with limited alternate use (or potential for multiple use) such as closed landfills and other brownfield, under-utilized parking lots, and highway rights-of-way.

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RATE 30

PROBLEM: Eversource's 2015 Rate 30 shift from volumetric charges to fixed charges has unfairly cut the projected energy savings to small businesses that installed PV prior to 2015 and reduced demand for new systems.

SOLUTION: **An Act Concerning Electric Rates** would ensure that electric ratepayers of all classes of must have the option to be on rates (tariffs) that are balanced between peak demand charges and volumetric (consumption) charges.

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STANDARDS

PROBLEM: Connecticut's standards for interconnecting distributed generation to the electric grid are grossly outdated and wrongly increase property owners' cost to install clean energy generators.

SOLUTION: **An Act Concerning Technical Standards Review Group** would form a Connecticut interconnection Technical Standards Review Group (TSRG) to review and improve standards for interconnecting distributed generation systems to the grid.

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SHARED SOLAR

PROBLEM: Every Connecticut energy consumer, including those who rent, live and work in apartment buildings, or have unsuitable roofs, should have the option to choose clean, homegrown power from local community shared clean energy or virtually net metered projects and access utility bill savings. Past legislation has limited community shared clean energy and virtual net metering development, and it's time we correct course and put Connecticut families, businesses and municipalities in charge of their own power.

SOLUTION: Legislation to expand solar access to a broader group of energy consumers—including low and moderate-income families, businesses, and municipalities—through large and effective community shared clean energy and virtual net metering programs is needed. This will allow customers to be fairly credited for the clean electricity they send to the grid through local projects while helping the state meet its Renewable Portfolio Standards goals and its required climate change pollution reductions.

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